

# PROP 25 CHANGES LEGISLATIVE VOTE REQUIREMENT TO PASS BUDGET AND BUDGET-RELATED LEGISLATION FROM TWO-THIRDS TO A SIMPLE MAJORITY. RETAINS TWO-THIRDS VOTE REQUIREMENT FOR TAXES. INITIATIVE CONSTITUTIONAL AMENDMENT.

## ★ ARGUMENT IN FAVOR OF PROPOSITION 25 ★

Prop. 25 reforms California's badly broken state budget process, so taxpayers, schools and services are protected, while legislators are held accountable if they fail to pass the budget on time. No budget, no pay—and no payback later.

Prop. 25 is a common sense solution to California's budget disaster, with legislators paying the price for late budgets, not taxpayers.

Prop. 25 is a simple budget reform that breaks legislative gridlock by allowing a simple majority of legislators to approve the budget—just like in 47 other states. Meanwhile, Prop. 25 preserves the  $\frac{2}{3}$  vote required to raise taxes.

Late budgets cost taxpayers millions of dollars, hurt schools and services, damage California's credit rating and give special treatment to interest groups at the expense of ordinary citizens. Under the current system, no one is held accountable. This will change under Prop. 25—a common sense reform that:

- Holds legislators accountable when they don't do their jobs. For every day the budget is late, legislators are docked a day's pay plus expenses. Importantly, they can't pay themselves back when the budget is finally passed.
- Changes the vote requirement needed for budget approval, so a majority of legislators can pass the budget, instead of allowing a small minority of legislators to hold it captive.
- Preserves the constitutional requirement that  $\frac{2}{3}$  of the Legislature must approve new or higher taxes.

When last year's budget was late, California issued 450,000 IOUs to small businesses, state workers and others who do business with the state, costing taxpayers over \$8 million in interest payments alone.

Under the current system, a small group of legislators can hold the budget hostage, with the “ransom” being more perks

for themselves, spending for their pet projects or billions in tax breaks for narrow corporate interests. Meanwhile, taxpayers are punished and funding for schools, public safety and home health care services for seniors and the disabled becomes a bargaining chip. Real people suffer when legislators play games with the budget.

More than 16,000 teachers were laid off last year and 26,000 pink slips were issued this year because of the budget mess. Prop. 25 ends the chaos, allowing schools to plan their budgets responsibly by letting them know what they can expect from the state. This isn't possible when the state budget is late.

Late budgets waste tax money and inflate the cost of building schools and roads. Last year when the budget was late, road projects were shut down then restarted days later, costing taxpayers millions of dollars and further damaging California's credit rating.

Please read Prop. 25 carefully. It does exactly what it says—holds legislators accountable for late budgets, ends budget gridlock and preserves the  $\frac{2}{3}$  vote required to raise taxes.

For responsible budgeting and fiscal accountability, vote “yes” on Prop. 25.

**MARTIN HITTELMAN**, President  
California Federation of Teachers

**KATHY J. SACKMAN, RN**, President  
United Nurses Associations of California/Union of Health Care Professionals

**NAN BRASMER**, President  
California Alliance for Retired Americans

## ★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 25 ★

THE REAL SUPPORTERS OF PROPOSITION 25 ARE INCUMBENT POLITICIANS AND THEIR SPECIAL INTEREST FRIENDS.

Under Prop. 25, California taxpayers will get more budget gimmicks, borrowing and deficit spending. It makes it easier for the politicians to raise taxes and pass a budget that isn't really balanced.

PROPOSITION 25 IS ANOTHER BACKROOM DEAL BY SACRAMENTO POLITICIANS AND SPECIAL INTERESTS TO RAISE TAXES AND ELIMINATE VOTER RIGHTS when they include these provisions in a budget bill. Buried in the fine print of this measure is language that will:

- Lower the vote requirement for the LEGISLATURE TO RAISE SALES, INCOME AND GAS TAXES.
- ELIMINATE VOTER CONSTITUTIONAL RIGHTS to repeal bad legislation and higher fees through the referendum process.
- Lower the vote requirement for the LEGISLATURE TO INCREASE ITS OWN EXTRAVAGANT TAX-FREE EXPENSE ACCOUNTS. Politicians want us to believe Prop. 25 will penalize them for a late budget, but they'll just make it up in higher expense account payments.

PROPOSITION 25 DOES NOT PROTECT TAXPAYERS.

It changes our Constitution to make it easier for the Sacramento politicians to raise taxes and reward the special interests that put them in office.

“Prop. 25 means higher taxes, bigger deficits and more wasteful spending.”—Jon Coupal, Howard Jarvis Taxpayers Association

PROPOSITION 25 DOES NOT HOLD POLITICIANS ACCOUNTABLE.

Instead, it will make it easier for Legislators to pad their own wallets and raise taxes by \$40 billion, as proposed by one of the supporters of this measure.

Vote NO on Prop. 25.

[www.No25Yes26.com](http://www.No25Yes26.com)

**TERESA CASAZZA**, President  
California Taxpayers' Association

**GABRIELLA HOLT**, President  
Citizens for California Reform

**JOEL FOX**, President  
Small Business Action Committee

**PROP 25 CHANGES LEGISLATIVE VOTE REQUIREMENT TO PASS BUDGET AND BUDGET-RELATED LEGISLATION FROM TWO-THIRDS TO A SIMPLE MAJORITY. RETAINS TWO-THIRDS VOTE REQUIREMENT FOR TAXES. INITIATIVE CONSTITUTIONAL AMENDMENT.**

★ **ARGUMENT AGAINST PROPOSITION 25** ★

**NO ON PROPOSITION 25—DON'T MAKE IT EASIER FOR POLITICIANS TO RAISE TAXES AND ELIMINATE VOTER RIGHTS**

Politicians and special interests responsible for our massive budget deficit know that Californians don't support increased taxes and spending, so they're promoting Proposition 25—another misleading ballot measure to raise taxes and take away our constitutional right to reject bad legislation at the ballot box.

**HIDDEN IN THE FINE PRINT OF PROPOSITION 25 ARE THE REAL REASONS POLITICIANS ARE PUSHING THIS MEASURE:**

- Eliminates the right of voters to use the referendum to force a vote and stop taxes disguised as fees.
- Allows politicians to circumvent our Constitution's two-thirds vote requirement for passing new or increased taxes by allowing taxes to be enacted as part of the budget with a bare majority vote.
- Makes it easier for politicians to increase their lavish expense accounts. Currently, they can increase these perks only with a two-thirds vote of the Legislature. But under Proposition 25, they would be able to increase them with a bare majority vote.

**NO ON PROPOSITION 25—DON'T BE FOOLED BY THE POLITICIANS**

The politicians behind Proposition 25 are the same people who can't control spending and can't balance our budget. Instead of cutting waste and controlling spending, their solution is to raise taxes.

**NO ON PROPOSITION 25—STOP THE POLITICIANS FROM GETTING EVEN LARGER EXPENSE ACCOUNTS**

Sacramento politicians support this misleading proposal to try and convince voters that they will cut their own pay if they can't pass an on-time budget.

Politicians would NEVER support an initiative that would cost them. Proposition 25 makes it easier for the politicians to *double or even triple their own TAX-FREE expense* accounts to make up the difference for any lost pay.

**NO ON PROPOSITION 25—IT'S NOT WHAT IT SEEMS**

**More Spending:**

The hidden agenda in Proposition 25 makes it easier for politicians to raise taxes, spend money we don't have and incur *more* debt. With a budget deficit of \$20 billion, we don't need more borrowing or budget gimmicks.

**Eliminates Voter Rights:**

Proposition 25 allows politicians to put new hidden taxes disguised as fees into budget-related bills, which eliminates voters' constitutional right to use the referendum process to reject these hidden taxes or other bad laws at the ballot.

"Our ability to reject hidden taxes is California taxpayers' last line of defense against a misguided Legislature. We cannot let the politicians take away that right."—California Taxpayers' Association

**PROPOSITION 25'S HIDDEN AGENDA:**

- Lowers the vote requirement for passing a budget from two-thirds to a bare majority vote, making it easier to use gimmicks and claim the budget is balanced when it's not.
- Allows the state Legislature to pass tax increases as part of the budget with a bare majority vote.
- Eliminates voter rights to use the referendum process to reject hidden taxes and repeal bad laws at the ballot.
- Allows the Legislature to increase their lavish expense accounts with a bare majority vote.

Learn more: [www.No25Yes26.com](http://www.No25Yes26.com)

**VOTE NO ON PROPOSITION 25**

**JON COUPAL**, President

Howard Jarvis Taxpayers Association

**JOHN KABATECK**, Executive Director

National Federation of Independent Business/California

**RUBEN GUERRA**, Chairman

Latin Business Association

★ **REBUTTAL TO ARGUMENT AGAINST PROPOSITION 25** ★

Prop. 25 will NOT make it easier to raise taxes. This is a false, desperate argument by people who want to keep things the same in Sacramento. Nor does it take away your right to vote.

Prop. 25 isn't about taxes. It's about holding legislators accountable and ending California's yearly budget crisis.

California's Attorney General and the state's non-partisan Legislative Analyst have officially stated that Prop. 25 does NOT lessen the vote required to raise taxes. In fact, Prop. 25 specifically says, "This measure WILL NOT CHANGE the two-thirds vote requirement for the Legislature to raise taxes."

Prop. 25 will make the Legislature work better, where chronically late budgets now punish schools and hurt vital services, damage our economy and cost taxpayers over \$50 million every day the budget is late.

Prop. 25 helps fix the problem in two ways.

First, it prevents legislators from collecting pay and benefits every day they fail to pass an on-time budget—money they can't recover when they do pass the budget. Prop. 25 holds legislators accountable when they fail to do their jobs.

Second, Prop. 25 allows a majority of legislators to approve the budget—just like 47 other states. No longer can a handful of legislators hold the budget hostage, forcing last-minute deals that hurt taxpayers AND democracy.

If you agree it's time for legislators to do their jobs by passing the budget on time, vote "YES" on Prop. 25. With California in crisis, we need a Legislature that works.

**JANIS R. HIROHAMA**, President

League of Women Voters of California

**BILL LOCKYER**, California State Treasurer

**RICHARD HOLOBER**, Executive Director

Consumer Federation of California